

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**  
**BOND FINANCING PROGRAM**  
**Meeting Date: October 22, 2008**  
*Request to Approve Amendment to Final Resolution to Issue Revenue Bonds*

Prepared by: *Doreen Smith*

<b>Applicant:</b>	Upper Valley Disposal <u>Service</u> , Inc. and/or its Affiliates	<b>Amount Requested:</b>	\$4,235,000
		<b>Application No.:</b>	00810 (SB)
<b>Project</b>	St. Helena & Calistoga	<b>Final Resolution No.:</b>	00483 approved 08/27/08
<b>Location:</b>	(Napa County) Clear Lake & Lower Lake (Lake County)		

**Summary.** CPCFA approved a final resolution for Upper Valley Disposal Service, Inc. and/or its Affiliates (the “Company”) in August 2008. Due to current conditions in the financial market, the Company requests to change the provider of the Letter of Credit to Union Bank of California, N.A.. The Company requests approval to amend the Original Term Sheet to reflect this change. Additionally, the Company requests to change the name of the Trustee to “The Bank of New York Mellon Trust Company, N.A.”, to reflect the reorganization of the trustee bank.

**Background.** Final Resolution number 00483 was approved on August 27, 2008 for an amount not to exceed \$4,235,000 to finance construction, and to purchase vehicles and equipment. As stated on the term sheet of the Final Resolution, the Letter of Credit was to have been provided by Comerica Bank and the Trustee was The Bank of New York Trust Company, N.A.

The Company has now arranged for Union Bank of California, N.A., in place of Comerica Bank, to secure the revenue bonds through the issuance of its direct-pay letter of credit.

The Trustee has remained the same; however, the Trustee’s name has changed due to a corporate reorganization.

**Current Request.** The Company requests approval to amend the Original Term Sheet as follows:

- Change the provider of the Letter of Credit to “Union Bank of California, N.A. or another financial institution approved by the Executive Director of the Authority that is rated at least “A-”.”
- Change the name of the Trustee to “The Bank of New York Mellon Trust Company, N.A.”

All other provisions and conditions of the Final Resolution, including the Original Term Sheet, shall remain unchanged and in full force and effect.

**Financing Details.** The Company anticipates issuance of negotiated tax-exempt, weekly reset, variable rate bonds with a term not to exceed 30 years for the qualifying portion of the project. The Company plans to secure the bonds with an irrevocable, direct pay Letter of Credit issued by Union Bank of California, N.A. that is rated at least “A-” by Fitch Rating Agency or equivalent. The target date for financing is November 6, 2008.

**Financing Team.**

**Underwriter:** Westhoff, Cone & Holmstedt  
**Bond Counsel:** Law Offices of Leslie M. Lava  
**Financial Advisor:** Andrew S. Rose  
**Issuer’s Counsel:** Office of the Attorney General

**Staff Recommendation.** Staff recommends approval of amendments to the Term Sheet (1) to reflect the change in provider of the Letter of Credit to Union Bank of California, N.A. or another financial institution approved by the Executive Director of the Authority that is rated at least “A-”; and, (2) the change the name of the Trustee to The Bank of New York Mellon Trust Company, N.A. for Upper Valley Disposal Service, Inc. and/or its Affiliates. |

AMENDMENT OF FINAL BOND RESOLUTION OF THE  
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
RELATING TO FINANCING FOR  
SOLID WASTE DISPOSAL FACILITIES AND EQUIPMENT  
FOR UPPER VALLEY DISPOSAL SERVICE, INC. AND/OR ITS AFFILIATES

October 22, 2008

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) by its Final Resolution No. 00483 (the “Final Resolution”) has heretofore approved financial assistance for Upper Valley Disposal Service, Inc. (the “Borrower”) to finance improvements to an existing materials recovery facility, the acquisition and installation of construction and demolition processing equipment, the acquisition of equipment, rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment functionally related thereto and the acquisition of drop boxes, bins, carts and containers to be used throughout service areas located in cities and unincorporated areas of Napa and Lake Counties, California, all as more particularly described in the Term Sheet attached thereto as Exhibit A and incorporated therein (the “Original Term Sheet”), and has authorized the issuance of revenue bonds (the “Bonds”) to provide such financial assistance; and

WHEREAS, in order to enhance the marketability of ~~such revenue bonds~~the Bonds, the Borrower had arranged for Comerica Bank, the financial institution named in the Original Term Sheet, to secure such revenue bonds through the issuance of its direct-pay irrevocable letter of credit, thereby guaranteeing their repayment;

WHEREAS, the Borrower now desires to modify the Original Term Sheet to change (i) the provider of such letter of credit to ~~Union Bank~~a commercial bank or other financial institution selected by the Borrower that, as of California, the date hereof and as of the closing date of the Bonds, had a long-term, unsecured rating of Fitch “A-” (or equivalent) or higher, and (ii) the name of the trustee to reflect a corporate reorganization, and has requested that the Authority approve such changes; and

WHEREAS, the Authority has determined that it is necessary and advisable that the foregoing be approved.

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The Authority hereby approves changing (i) the provider of the Letter of Credit, as referenced in the Original Term Sheet, to ~~“Union Bank~~a commercial bank or other financial institution selected by the Borrower that, as of California, N-the date hereof and as of the closing date of the Bonds, had a long-term, unsecured rating of Fitch “A-” (or equivalent) or higher” and (ii) the Trustee, as referenced in the Original Term Sheet, to “The Bank of New York Mellon Trust Company, N.A.”.

Section 2. Except as amended by Section 1 hereof, all other provisions and conditions of the Final Resolution, including the Original Term Sheet, shall remain unchanged and in full force and effect.

Section 3. The Executive Director of the Authority is hereby authorized and directed to do any and all ministerial acts in order to communicate this Amendment of Final Resolution and otherwise to effectuate the purposes of this Amendment of Final Resolution

**EXHIBIT A**

**AMENDED TERM SHEET**

**Name of Issue:** California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Upper Valley Disposal Service, Inc. Project) Series 2008A (the “Bonds”)

**Maximum Amount of Issue:** \$4,235,000 (tax-exempt)

**Issuer:** California Pollution Control Financing Authority (the “Authority”), Sacramento, CA

**Borrower:** Upper Valley Disposal Service, Inc.

**Trustee:** The Bank of New York Mellon Trust Company, N.A.

**Senior Underwriter or Placement Agent:** Westhoff, Cone & Holmstedt

**Bond Counsel:** Leslie M. Lava, Esq.  
Sausalito, CA

**Remarketing Agent:** Westhoff, Cone & Holmstedt

**Project:** Finance or refinance (i) improvements to an existing materials recovery facility located at 1285 Whitehall Lane, St. Helena, California 94574 (the “St. Helena Site”), (ii) the acquisition and installation of construction and demolition processing equipment to be located at 4830 Silverado Trail, Calistoga, California 94515 (the “Calistoga Site”), (iii) the acquisition of equipment, rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment functionally related thereto, all to be located at any or all of the following locations: the St. Helena Site, the Calistoga Site, 15970 Kugelman Street, Lower Lake, California 95457 and 16520 Davis Street, Clear Lake, California 95422, and (iv) and the acquisition of drop boxes, bins, carts and containers to be used throughout service areas located in cities and unincorporated areas of Napa and Lake Counties, California

<b>Maximum Bond Term:</b>	Not to exceed 20 years
<b>Type of Sale:</b>	Negotiated sale
<b>Description of Minimum Denominations:</b>	\$100,000 or any integral multiple of \$5,000 in excess thereof while in variable rate mode
<b>Financing Structure:</b>	Variable rate demand bonds; convertible to fixed rate pursuant to the Indenture
<b>Maximum Interest Rate:</b>	12%
<b>Letter of Credit:</b>	Provided by <u>Union Bank</u> commercial bank or other financial institution selected by the Borrower that, as of <del>California, N</del> the date hereof and as of the closing date of the Bonds, had a long-term, unsecured rating of Fitch “ <del>A-</del> ” (or equivalent) or higher
<b>Other Credit Enhancement:</b>	Not applicable
<b>Anticipated Bond Rating:</b>	“A+/F1” (minimum “A-”)
<b>Type of Financing:</b>	Solid waste disposal revenue bonds
<b>Prepared by:</b>	Leslie M. Lava, Esq. (415) 331-6464